

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
INTERNATIONAL MERCHANDISE RETURN SERVICE AGREEMENTS
WITH FOREIGN POSTAL OPERATORS
NON-PUBLISHED RATES

Docket No. MC2015-68
Docket No. CP2015-99

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO ORDER NO. 2744
(October 13, 2015)

The United States Postal Service hereby provides its response to the Commission's request for supplemental information in Order No. 2744.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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RESPONSE TO SUPPLEMENTAL INFORMATION REQUEST NO. 1

1. The Commission requests that the Postal Service explain why IMRS-FPO agreements cannot terminate sooner than sixty days after the effective date of a new rate range.

RESPONSE:

The Postal Service designed the 60 day period to give the parties sufficient time to execute a renewal agreement after the Commission approves new rates. Without the 60 day period to allow the parties to agree to new rates, the contracts would terminate abruptly when the Commission approves new rate ranges as the parties are not able to negotiate new rates until the Postal Service knows the exact range approved by the Commission. The need for the time period to be 60 days is based on postal management's experience that it may take this long to undergo rate negotiations with a foreign postal operator and secure signatures, especially due to language challenges and availability of key personnel.